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## Taiwan

### Grain and Feed

### More Rice Tenders Fail

### 2005

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**Report Highlights:**

Only 16.80 percent of Taiwan's public sector rice quota has been contracted as of October 13, 2005. Several tenders have recently failed due to ceiling prices.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Taipei [TW1]  
[TW]

### Slow Pace on Rice Tenders of the 2005 Public Trade Quota

As of October 13, Taiwan has only contracted for 16.80 percent of its public sector rice quota. After delaying a tender earlier in the year due to warehouse issues, several tenders have recently failed due to bid prices exceeding a calculated ceiling price. While Taiwanese legislation requires a ceiling price, thinly traded commodities like Medium Grain Brown Rice generally do not have publicly available current prices. Because Taiwan is using historical prices to calculate the ceiling price during periods of market volatility the ceiling price is either so high that it is ineffective, or so low that it inhibits purchases. Tenders for 20,000 tons of medium brown and 3,093.5 tons (brown basis) milled glutinous short grain have been re-tendered and have failed three times, while another tender for 17,000 tons of medium grain brown was reissued and failed again. All of these were attributed to price issues.

The United States has captured 78.17 percent of public sector rice imports so far this year, delivering 12,000 tons of medium brown grain to Taiwan. Thailand has the remaining 21.83 percent, and has delivered 3,450 tons, on a brown basis, of milled glutinous long grain to Taiwan. The United States has contracted for 356.5 tons, on a brown basis, of milled glutinous short grain for October 21-November 20, 2005 delivery. See the following two tables for public rice tender results and schedules.

**Table 1 - 2005 Public Sector Rice Contracts**

Public Trade	Metric Tons	Import Share
U.S.A.	12,356.5	78.17%
Thailand	3,450.0	21.83%
Others	0.0	0.00%
<b>Grand Total</b>	<b>15,806.5</b>	<b>100.00%</b>
Quota Fill Rate	16.80% of 94,068 mt	

*Note: Brown Rice Basis*

*Milled rice is converted to Brown Rice at 1:1.15*

Table 2 - Results and Tender Schedules for 2005 Public Imports

Tender Number	Quantity/Type/Price	Date	Awarded by Origin
Milled Glutinous Long: GF4-930302 For 3,000 mt (3,450 mt on brown)	1,050 mt milled glutinous long was awarded at NT\$12,499/mt (\$390/mt); 1,950 mt milled glutinous long at NT\$12,828/mt (\$400/mt). (Exchange rate: \$1 to NT\$32.03)	December 28, 2004	*Glutinous long –Thailand *Glutinous long –Thailand
Medium Brown: GF4-940046 for 12,000 mt	12,000mt medium brown was awarded at NT\$10,554.4 (\$335). (Exchange rate: \$1 to NT\$31.50)	April 25, 2005	*Medium brown -USA
Milled Glutinous Short: GF4-940056 For 1,000 mt (1,150 mt on brown)	The tender failed because of the bid prices exceeded the ceiling price. Only one participant submitted the bid and the lowest bid prices offered was NT\$25,730/mt (\$817). (Exchange rate: \$1 to NT\$31.50)	April 26, 2005	*Glutinous short-canceled
Medium Brown: GF4-940139 for 17,000 mt  Medium Brown: GF4-940140 for 20,000 mt  Milled Glutinous Short: GF4-940141 for 3,000 mt (3,450 mt on brown)	Both two tenders for medium brown failed because of the bid prices exceeded the ceiling prices. The lowest bid prices offered were at NT\$17,424.7/mt (\$535/mt) for GF4-940139 and NT\$17,063/mt (\$524/mt) for GF4-940140.  310 mt (356.5 mt on brown) milled glutinous short was awarded at NT\$24,841.2/mt (\$762/mt) (Exchange rate: \$1 to NT\$32.58)	September 7, 2005	GF4-940139 was reissued for October 7.  GF4-940140 was rescheduled for September 27.  *Glutinous short – USA (Partially completed)
Medium Brown: GF4-940140-1 for 20,000 mt  Milled Glutinous Short- GF4-940141-1 for 2,690 mt (3,093.5 mt on brown)	Both tenders failed because of bidding prices exceeded the ceiling prices. The lowest bid prices offered were at NT\$16,967/mt (\$510/mt) for medium grain and NT\$26,600/mt (\$799/mt) for milled glutinous short. (Exchange rate: \$1 to NT\$33.27)	September 27, 2005	Tenders were rescheduled for October 11, 2005
Medium Brown: GF4-940157 for 17,000 mt (Participants were allowed to submit a bit as small as 2,00 mt or as large as 17,000 mt)  Long brown: GF4-940158 for 3,000 mt	The medium brown tender failed because of the bid prices exceeded the ceiling price. The lowest bid price offered was at NT\$17,563/mt (\$528/mt). (Exchange rate: \$1 to NT\$33.26)  The long grain tender failed due to kernel length specification.	October 7, 2005	TBD
Medium brown: GF4-940140-2 for 20,000 mt  Milled glutinous short: GF4-940141-2 for 2,690 mt (3,093.5 mt on brown)	Both tenders failed the third time because of the bids exceeded the ceiling prices. The lowest bit prices offered were at NT\$17,248/mt (\$518/mt) for medium brown and NT\$26,368/mt (\$793/mt). (Exchange rate: \$1 to NT\$33.23)	October 11, 2005	TBD
Medium brown: GF4-940166 for 10,000 mt	Currently open	October 18, 2005	TBD
<b>2005 Total Quota</b>	<b>As of October 13, 17% of the 94,068 ton public rice quota had been tendered while 16% has been imported.</b>		